

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6889

BILL NUMBER: HB 1534

NOTE PREPARED: Jan 9, 2013

BILL AMENDED:

SUBJECT: Permitted Uses of Choice Scholarships.

FIRST AUTHOR: Rep. Bauer

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that the maximum choice scholarship amount that an eligible student may receive for a school year is the sum of the tuition, transfer tuition, and fees required for enrollment or attendance that is necessary to provide classroom instruction to the eligible student.

The bill provides that tuition, transfer tuition, and fees do not include:

1. Fees for uniforms;
2. School supplies;
3. Curricular material;
4. Computer software or equipment; or
5. Other written materials used primarily for academic instruction or for academic tutoring, or both.

Effective Date: July 1, 2013.

Explanation of State Expenditures: The bill could decrease the expenditures for the Choice Scholarship Program by an indeterminable amount. Currently for a Choice Scholarship the state pays the lesser of:

1. The sum of the school's tuition, transfer tuition, and fees.
2. 90% of the state tuition support amount for the school where the student resides, if the student qualifies for free or reduced price lunch.
3. 50% of the state tuition support amount for the school where the student resides, if the student's family income is not more than 150% of the income level that qualifies for free or reduced price lunch.
4. \$4,500 for grades 1-6.

The saving would depend on the extent that the required tuition and fees minus the ineligible costs are less than the scholarship limits specified above in 2-4.

Background: The maximum number of scholarships for the 2011-2012 school year was 7,500 and the maximum number of scholarships for the 2012-2013 school year is 15,000. The following table reports the number of scholarships and value of those scholarships for FY 2012 and FY 2013.

Fiscal Year	Number of Scholarships	Value of Scholarships	Average Scholarship
2012	3,911	\$ 15.6 M	\$3,964.34
2013	9,135	\$37.3 M	\$4,083.18

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Education.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.